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DEPARTMENT OF COMMERCE

International Trade Administration

[A-433-813 and A-427-830]

Strontium Chromate from Austria and France: Initiation of Less-Than-Fair-Value Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: Applicable September 25, 2018.

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Brian Smith at (202) 482-5973 or (202) 482-1766, respectively; AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On September 5, 2018, the U.S. Department of Commerce (Commerce) received antidumping duty (AD) petitions concerning imports of strontium chromate from Austria and France, filed in proper form on behalf of the Lumimove Inc., d.b.a. WPC Technologies (the petitioner).¹

¹ See the petitioner's Letter, "Petitions for the Imposition of Antidumping Duties on Strontium Chromate from Austria and France," dated September 5, 2018 (the Petitions).

From September 7 to 19, 2018, we requested from the petitioner information pertaining to the scope and allegations contained in the petition.² The petitioner supplemented the record in response to these requests.³

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioner alleges that imports of strontium chromate from Austria and France are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing strontium chromate in the United States. Consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioner supporting its allegation.

We find that the petitioner filed the Petitions on behalf of the domestic industry because the petitioner is an interested party as defined in section 771(9)(C) of the Act. We also find that

² See Commerce's Letters, "Petitions for the Imposition of Antidumping Duties on Imports of Strontium Chromate from Austria and France: Supplemental Questions," dated September 7, 2018; "Petition for the Imposition of Antidumping Duties on Imports of Strontium Chromate from France: Supplemental Questions," dated September 7, 2018; "Petition for the Imposition of Antidumping Duties on Imports of Strontium Chromate from Austria: Supplemental Questions," dated September 7, 2018; "Phone Call with Counsel to Petitioner," dated September 14, 2018; "Phone Call with Counsel to Petitioner," dated September 17, 2018; and Memorandum, "Petitions for the Imposition of Antidumping Duties on Imports of Strontium Chromate from Austria and France; Phone Call with Counsel to the Petitioner," dated September 19, 2018 (September 19, 2018 Memorandum).

³ See the petitioner's Letters, titled, "Petitioner's Response to the Department of Commerce's September 7, 2018 General Issues Questionnaire Regarding the Petitions for the Imposition of Antidumping Duties on Strontium Chromate from France and Austria," dated September 13, 2018 (General Issues Supplement); "Petitioner's Response to the Department of Commerce's September 7, 2018 Volume II Supplemental Questionnaire Regarding the Petitions for the Imposition of Antidumping Duties on Strontium Chromate from Austria," dated September 13, 2018 (Austria AD Supplement); "Petitioner's Response to the Department of Commerce's September 7, 2018 Volume II Supplemental Questionnaire Regarding the Petitions for the Imposition of Antidumping Duties on Strontium Chromate from France," dated September 13, 2018 (France AD Supplement); "Petitioner's Response to Questions from the Department of Commerce's September 14, 2018 Phone Call Regarding the Petitions for the Imposition of Antidumping Duties on Strontium Chromate from France and Austria," dated September 17, 2018 (Second Supplement); and "Petitioner's Response to Questions from the Department of Commerce's September 17, 2018 Phone Call Regarding the Petitions for the Imposition of Antidumping Duties on Strontium Chromate from France and Austria," dated September 18, 2018 (Third Supplement).

the petitioner demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioner is requesting.⁴

Period of Investigations

Because the Petitions were filed on September 5, 2018, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) for these investigations is July 1, 2017, through June 30, 2018.⁵

Scope of the Investigations

The product covered by these investigations is strontium chromate from Austria and France. For a full description of the scope of these investigations, *see* the Appendix to this notice.

Scope Comments

During our review of the Petitions, we contacted the petitioner regarding the proposed scope language to ensure that the scope language in the Petitions is an accurate reflection of the products for which the domestic industry is seeking relief.⁶ As a result, the scope of the Petitions was modified to clarify the description of merchandise covered by the Petitions. The description of the merchandise covered by this initiation, as described in the Appendix to this notice, reflects these clarifications.

As discussed in the preamble to Commerce's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).⁷ Commerce will consider all comments received from interested parties and, if necessary, will consult with

⁴ See the "Determination of Industry Support for the Petitions" section, *infra*.

⁵ See 19 CFR 351.204(b)(1).

⁶ See General Issues Supplement, at 1-4; *see also* Second Supplement, at 1-2 and Exhibit 1; *see also* September 19, 2018 Memorandum.

⁷ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

interested parties prior to the issuance of the preliminary determination. If scope comments include factual information,⁸ all such factual information should be limited to public information. To facilitate preparation of our questionnaires, we request that all interested parties submit scope comments by 5:00 p.m. Eastern Time (ET) on October 15, 2018, which is 20 calendar days from the signature date of this notice.⁹ Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on October 25, 2018, which is 10 calendar days from the initial comments deadline.

We request that any factual information parties consider relevant to the scope of the investigations be submitted during this period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact Commerce and request permission to submit the additional information. All such submissions must be filed on the records of the Austria and France less-than-fair-value investigations.

Filing Requirements

All submissions to Commerce must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).¹⁰ An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's

⁸ See 19 CFR 351.102(b)(21) (defining "factual information").

⁹ See 19 CFR 351.303(b).

¹⁰ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of Commerce's electronic filing requirements, effective August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

Comments on Product Characteristics for the AD Questionnaires

We are providing interested parties an opportunity to comment on the appropriate physical characteristics of strontium chromate to be reported in response to Commerce's AD questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors of production accurately, as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: (1) general product characteristics, and (2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe strontium chromate, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, Commerce attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on

October 15, 2018, which is 20 calendar days from the signature date of this notice.¹¹ Any rebuttal comments must be filed by 5:00 p.m. ET on October 25, 2018. All comments and submissions to Commerce must be filed electronically using ACCESS, as explained above, on the records of the Austria and France less-than-fair-value investigations.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, Commerce shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers, as a whole, of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs Commerce to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both Commerce and the ITC must

¹¹ See 19 CFR 351.303(b).

apply the same statutory definition regarding the domestic like product,¹² they do so for different purposes and pursuant to a separate and distinct authority. In addition, Commerce's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹³

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the petitioner does not offer a definition of the domestic like product distinct from the scope of the investigations.¹⁴ Based on our analysis of the information submitted on the record, we have determined that strontium chromate, as defined in the scope, constitutes a single domestic like product, and we have analyzed industry support in terms of that domestic like product.¹⁵

In determining whether the petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic

¹² See section 771(10) of the Act.

¹³ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989)).

¹⁴ See Volume I of the Petitions, at 11-16.

¹⁵ For a discussion of the domestic like product analysis as applied to these cases and information regarding industry support, see Antidumping Duty Investigation Initiation Checklist: Strontium Chromate from Austria (Austria AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping Duty Petitions Covering Strontium Chromate from Austria and France (Attachment II); and Antidumping Duty Investigation Initiation Checklist: Strontium Chromate from France (France AD Initiation Checklist), at Attachment II. These checklists are dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

like product as defined in the “Scope of the Investigations,” in the Appendix to this notice. To establish industry support, the petitioner provided its own production of the domestic like product in 2017.¹⁶ The petitioner states that it is the only known producer of strontium chromate in the United States; therefore, the Petitions are supported by 100 percent of the U.S. industry.¹⁷

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to Commerce indicates that the petitioner has established industry support for the Petitions.¹⁸ First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, Commerce is not required to take further action in order to evaluate industry support (*e.g.*, polling).¹⁹ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.²⁰ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.²¹ Accordingly, Commerce determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

¹⁶ See Volume I of the Petitions, at Exhibit General-2.

¹⁷ *Id.*, at 2-4; see also Volume II of the Petitions, at Exhibit II-16. For further discussion, see Austria AD Initiation Checklist and France AD Initiation Checklist, at Attachment II.

¹⁸ *Id.*

¹⁹ *Id.*; see also section 732(c)(4)(D) of the Act.

²⁰ See Austria AD Initiation Checklist and France AD Initiation Checklist, at Attachment II.

²¹ *Id.*

Commerce finds that the petitioner filed the Petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act, and it has demonstrated sufficient industry support with respect to the AD investigations that it is requesting that Commerce initiate.²²

Allegations and Evidence of Material Injury and Causation

The petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²³

The petitioner contends that the industry's injured condition is illustrated by a significant and increasing volume of subject imports; reduced market share; underselling and price depression or suppression; decline in the domestic industry's shipments, financial performance, and employment levels; underutilized capacity; and lost sales and revenues.²⁴ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, causation, as well as cumulation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.²⁵

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which Commerce based its decision to initiate AD investigations of imports of strontium chromate from Austria and France. The sources of data for the deductions and adjustments

²² *Id.*

²³ See Volume I of the Petitions, at 24-25 and Exhibit General-4.

²⁴ *Id.* at 11, 18-30 and Exhibits General-2 through General-8 and General-16.

²⁵ See Austria AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping Duty Petitions Covering Strontium Chromate from Austria and France (Attachment III); and France AD Initiation Checklist, at Attachment III.

relating to U.S. price and NV are discussed in greater detail in the Austria and France AD Initiation Checklists.

Export Price

For Austria and France, the petitioner based U.S. export prices (EP) on the transaction-specific average unit values for shipments of strontium chromate identified from each of these countries entered under the relevant Harmonized Tariff Schedule of the United States (HTSUS) subheading for one month during the POI into a specific port.²⁶ Under this methodology, the petitioner linked shipment data from Port Import Export Reporting Service (PIERS) to monthly U.S. port-specific import statistics (obtained from the ITC's Dataweb).²⁷ The petitioner made a deduction from U.S. price for movement expenses, consistent with the manner in which the data is reported in Dataweb.²⁸

Normal Value

For Austria and France, the petitioner based NV on home market prices obtained through market research for strontium chromate produced in and sold, or offered for sale, in each country within the proposed POI.²⁹ Where applicable, the petitioner calculated net home market prices, adjusting as appropriate for delivery terms and other price adjustments.³⁰

Fair Value Comparisons

Based on the data provided by the petitioner, there is reason to believe that imports of strontium chromate from Austria and France are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV in accordance with sections

²⁶ See Austria and France AD Initiation Checklists.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

772 and 773 of the Act, the estimated dumping margins for strontium chromate from Austria and France are 90.97 and 47.91 percent, respectively.³¹

Initiation of Less-than-Fair-Value Investigations

Based upon the examination of the Petitions, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of strontium chromate from Austria and France are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

Respondent Selection

The petitioner named one company in Austria and one company in France as producers/exporters of strontium chromate.³² Following standard practice in AD investigations involving market economy countries, Commerce intends to select respondents based on U.S. Customs and Border Protection (CBP) data for U.S. imports under the appropriate HTSUS numbers listed with the “Scope of the Investigations,” in the Appendix.

We also intend to release the CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO on the record within five business days of publication of this *Federal Register* notice. Comments regarding the CBP data and respondent selection should be submitted seven calendar days after the placement of the CBP data on the record of these investigations. Parties wishing to submit rebuttal comments should submit those comments five calendar days after the deadline for the initial comments. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR

³¹ *Id.*

³² See Volume I of the Petitions at Exhibit General-9; see also General Issues Supplement, at 1 and Exhibit 1.

351.305(b). Instructions for filing such applications may be found on Commerce's Web site at <http://enforcement.trade.gov/apo>.

All respondent selection comments must be filed electronically using ACCESS. An electronically-filed document must be received successfully, in its entirety, by Commerce's electronic records system, ACCESS, by 5:00 p.m. ET by the dates noted above. We intend to finalize our decision regarding respondent selection within 20 days of publication of this notice.

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of Austria and France *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of strontium chromate from Austria and/or France are materially injuring or threatening material injury to a U.S. industry.³³ A negative ITC determination will result in the investigation being terminated with respect to that country.³⁴ Otherwise, the investigations will proceed according to statutory and regulatory time limits.

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by Commerce; and (v) evidence other than factual information described in (i)–(iv). 19 CFR 351.301(b) requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted³⁵ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.³⁶ Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

³³ See section 733(a) of the Act.

³⁴ *Id.*

³⁵ See 19 CFR 351.301(b).

³⁶ See 19 CFR 351.301(b)(2).

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in a letter or memorandum of the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.³⁷ Parties must use the certification formats provided in 19 CFR 351.303(g).³⁸ Commerce intends to reject factual submissions if the submitting party does not comply with the applicable certification requirements.

³⁷ See section 782(b) of the Act.

³⁸ See also *Certification of Factual Information to Import Administration During Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*). Answers to frequently asked questions regarding the *Final Rule* are available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, Commerce published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed at 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: September 25, 2018.

Gary Taverman,

Deputy Assistant Secretary

*for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.*

Appendix

Scope of the Investigations

The merchandise covered by these investigations is strontium chromate, regardless of form (including but not limited to, powder (sometimes known as granular), dispersions (sometimes known as paste), or in any solution). The chemical formula for strontium chromate is SrCrO_4 and the Chemical Abstracts Service (CAS) registry number is 7789-06-2.

Strontium chromate that has been blended with another product or products is included in the scope if the resulting mix contains 15 percent or more of strontium chromate by total formula weight. Products with which strontium chromate may be blended include, but are not limited to, water and solvents such as Aromatic 100 Methyl Amyl Ketone (MAK)/2-Heptanone, Acetone, Glycol Ether EB, Naphtha Leicht, and Xylene. Subject merchandise includes strontium chromate that has been processed in a third country into a product that otherwise would be within the scope of these investigations if processed in the country of manufacture of the in-scope strontium chromate.

The merchandise subject to these investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 2841.50.9100. Subject merchandise may also enter under HTSUS subheading 3212.90.0050. While the HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope is dispositive.